



*Jeffrey M. Nelson*  
*Chief Legal Officer*

November 29, 2018

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Application of Carolina Water Service, Incorporated for Approval to Establish a  
Hydrant Meter Program  
**Docket No. 2018-360-W**

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the filing submitted by Carolina Water Service, Inc. ("CWS") for approval to establish a Hydrant Meter Program ("Application").

The Commission regulations 10 S.C. Code Ann. Regs. 103-731 (2012) specify the manner in which Customer Deposits are to be calculated and assessed by a water utility.

**103-731 Customer Deposits.**

Each utility may require from any customer or from any prospective customer, a deposit intended to guarantee payment of bills for service, if any of the following conditions exist:

(a) The customer's past payment record to a water utility shows delinquent payment practice, i.e. the customer has had two consecutive thirty-day arrears, or more than two non-consecutive thirty-day arrears in the past twenty-four months or,

(b) A new customer cannot furnish either a letter of good credit from a reliable source or an acceptable cosigner to guarantee payment, or

(c) A customer has no deposit, and presently is delinquent in payments (i.e., the customer has had two consecutive 30-day arrears, or more than two non-consecutive 30-day arrears, in the past 24 months), or

(d) A customer has had his service terminated for nonpayment.

103-731.1. Amount of Deposit.

A. A maximum deposit may be required up to an amount equal to an estimated two (2) months (60 days) bill for a new customer or a maximum deposit may be required up to an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the preceding twelve (12) months or portion of the year, if on a seasonal basis.

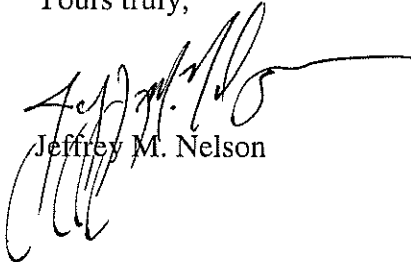
B. All deposits may be subject to review based on the actual experience of the customer. The amount of the deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the customer.

The Application submitted by CWS does not specify how the deposit amount of \$1,100 for the water meter was determined.

ORS supports the establishment of a Hydrant Meter Program to help reduce water theft and non-revenue water. CWS's request does not change current rates for customers.

If you have any questions, please do not hesitate to contact me.

Yours truly,



Jeffrey M. Nelson

cc: All Parties of Record (via E-mail)